

Message Text

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ACTION EB-08

INFO OCT-01 AF-10 NEA-10 ISO-00 AID-05 CIAE-00 COME-00
FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15
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R 271045Z OCT 77
FM AMEMBASSY KHARTOUM
TO SECSTATE WASHDC 5734
INFO AMEMBASSY ABU DHABI
AMEMBASSY CAIRO
AMEMBASSY JIDDA
AMEMBASSY KUWAIT

C O N F I D E N T I A L KHARTOUM 3746

PASS AID, TREASURY, AND EXIM BANK

E.O. 11652: GDS
TAGS: EFIN, SU
SUBJECT: SUDANESE FINANCIAL DEVELOPMENTS

REF: A. KHARTOUM 3620 (NOTAL), B. KHARTOUM 3735

1. DURING CONVERSATION AT SOCIAL OCCASION OCT 26 DCM HAD OPPORTUNITY DISCUSS CURRENT FINANCIAL DEVELOPMENTS WITH BANK OF SUDAN (BOS) GOVERNOR NIMIR, WHO INDICATED SUDANGOV HAS APPROXIMATELY \$90 MILLION AVAILABLE FROM COMMERCIAL BANKS. HE REVIEWED DEVELOPMENTS WHICH WERE REPORTED REF A, AND WENT ON TO SAY SUDANGOV HAS RECEIVED \$40 MILLION LOAN FROM UNIDENTIFIED SWISS BANK WITH WHICH IT HAS HAD DEALINGS IN PAST. IN ADDITION, \$50 MILLION EXPECTED MOMENTARILY FROM THREE-BANK GROUP CONSISTING OF WELLS FARGO, UBAF AND BAI (OF WHICH SUDAN IS PART OWNER). NIMIR SAID SUDANGOV CHOSE TO NEGOTIATE SMALLER LOAN WITH WELLS FARGO GROUP THAN WAS ORIGINALLY CONTEMPLATED IN EFFORT SIMPLIFY TRANS-
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ACTION, PARTICULARLY, CONSIDERING NEW RELATIONSHIP THAT EXISTS BETWEEN BOS AND WELLS FARGO. HE COMMENTED ON HOW AMERICAN BANKS REQUIRED CONSIDERABLY MORE DOCUMENTATION THAN EUROPEAN BANKS AND COMPLAINED THIS UNNECESSARILY HINDERS AND DELAYS CONCLUSION OF LOAN AGREEMENT.

2. NIMIR SAID THAT WITH MONEY THAT HAS BECOME AVAILABLE

SUDANGOV NOW PAYING ARREARAGES OWED TO BANK OF AMERICA AND FIRST NATIONAL BANK OF CHICAGO. FYI--BASED ON INFO CONTAINED PARA 4, REF A, NIMIR MAY HAVE MEANT HARRIS TRUST OF CHICAGO. END FYI. HE ALSO INDICATED TOP PRIORITY WILL BE GIVEN TO PAYING ARREARAGES OWED EXIM BANK AND OTHER GOVERNMENT EXPORT FINANCE INSTITUTIONS, SUCH AS EGCD. NIMIR SAID HE REALIZED IT IMPORTANT FOR SUDANGOV MAINTAIN AS GOOD A PAYMENTS RECORD AS POSSIBLE WITH THESE GOVERNMENT INSTITUTIONS.

3. NIMIR SPOKE BRIEFLY ABOUT IMF DISCUSSIONS AND IN GENERAL CONFIRMED INFO CONTAINED REF B. HE SAID SUDANGOV CONTEMPLATING TEN PERCENT EXPENDITURE REDUCTION.

4. COMMENT: NIMIR'S REMARKS INDICATE ARRANGEMENTS HE DISCUSSED WITH ECON CHIEF OCT 18 NOW BEING IMPLEMENTED. HIS REMARK SUGGESTS ARREARAGES OWED USG AND US BANKS, HOPEFULLY, WILL BE CLEARED UP SOON. NIMIR SEEMED GENERALLY OPTIMISTIC ABOUT SITUATION. HE SAID INCOME FROM NON-COTTON AGRICULTURAL SALES WILL BE RECEIVED BY END OF YEAR, AND BY EARLY 1978 INFO SHOULD BE AVAILABLE ON SIZE OF 1978 COTTON CROP AGAINST WHICH SUDANGOV COULD BORROW. HE THEREFORE BELIEVES WORST IS OVER IN TERMS PRESSING SHORT-TERM OBLIGATIONS. BERGUS

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